

AMENDED IN ASSEMBLY SEPTEMBER 9, 2009

AMENDED IN SENATE MAY 6, 2009

SENATE BILL

No. 730

Introduced by Senator Wiggins

February 27, 2009

~~An act to amend Section 48000 of the Public Resources Code, relating to solid waste. An act to add Article 2 (commencing with Section 2846) to Chapter 8 of Part 2 of Division 1 of the Public Utilities Code, relating to energy efficiency.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 730, as amended, Wiggins. ~~Solid waste: fees. Sonoma County Energy Efficiency Pilot Project Act of 2010.~~

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas and electric corporations. Under existing law the commission is required to evaluate data from the Solar Water Heating Pilot Project conducted by the California Center for Sustainable Energy, and if it determines that the program is cost effective for ratepayers, to design and implement a program to achieve the goal of the Legislature to promote the installation of 200,000 solar water heating systems in homes and businesses by 2017.

Existing law requires the program to be administered by gas corporations and third party administrators and requires the commission to fund the program through a surcharge applied to gas customers at a level necessary to meet the goal of installing 200,000 solar water heating systems.

This bill would establish the Sonoma Energy Efficiency Pilot Project Act of 2010 and would require the commission, in cooperation with the Sonoma County Water Agency, to institute a rulemaking proceeding

Existing law requires an operator of a disposal facility to pay quarterly to the State Board of Equalization a fee, as determined by the California Integrated Waste Management Board (board), based on the amount of solid waste disposed of at each disposal site.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

1 SECTION 1. Article 2 (commencing with Section 2846) is
2 added to Chapter 8 of Part 2 of Division 1 of the Public Utilities
3 Code, to read:

*Article 2. Sonoma County Energy Efficiency Pilot Project Act
of 2010*

8 2846. *This article shall be known and may be cited as the*
9 *Sonoma County Energy Efficiency Pilot Project Act of 2010.*

10 2847. For purposes of this article, the following terms have
11 the following meanings:

(a) “Energy efficient heating and cooling system” means a technology that has the primary purpose of reducing demand for natural gas or electricity through space heating and cooling or water heating from technologies such as ground-source heat pumps, electric heat pumps or similar systems or devices that meet federal Energy Star requirements.

(b) “Sonoma County Pilot Project” or “Pilot Project” means a project to authorize the use of ratepayer energy efficiency and natural gas surcharge funds for the deployment of energy efficient heating and cooling systems through the Sonoma County Energy Independence Program instituted in 2009 by the county and the Sonoma County Water Agency adopted pursuant to Resolution

1 *Number 09-0271 adopted by the Sonoma County Board of*
2 *Supervisors on March 24, 2009.*

3 *2847.1. The Legislature finds and declares all of the following:*

4 *(a) California's growing population and economy will put a*
5 *strain on energy supplies and threaten the ability of the state to*
6 *meet its global warming goals unless specific steps are taken to*
7 *reduce demand and generate energy cleanly and efficiently.*

8 *(b) Cost-effective and market-ready technologies exist to replace*
9 *water heating and space heating and cooling systems for domestic*
10 *and industrial use that currently rely on natural gas and electricity*
11 *generated from fossil fuels and accounts for a significant*
12 *percentage of the state's energy consumption.*

13 *(c) In addition to financial and energy savings, energy efficient*
14 *heating and cooling systems can help protect against future gas*
15 *and electricity shortages and reduce our dependence on foreign*
16 *sources of energy by displacing the use of electricity and natural*
17 *gas.*

18 *(d) Energy efficient heating and cooling systems can also help*
19 *preserve the environment and protect public health by reducing*
20 *air pollution, including carbon dioxide, a leading global warming*
21 *gas, and nitrogen oxide, a precursor to smog.*

22 *(e) Growing demand for energy efficient technologies will create*
23 *jobs in California as well as promote greater energy independence,*
24 *protect consumers from rising energy costs and result in cleaner*
25 *air.*

26 *(f) It is in the interest of the State of California to promote*
27 *energy efficient heating and cooling systems and other technologies*
28 *that directly reduce demand for natural gas and electricity in*
29 *homes and businesses.*

30 *(g) It is the intent of the Legislature to build a mainstream*
31 *market for energy efficient heating and cooling systems such as*
32 *ground source heat pumps that directly reduce demand for*
33 *electricity and natural gas in homes, businesses, and government*
34 *buildings.*

35 *(h) It is the intent of the Legislature that data about the*
36 *cost-effectiveness and ratepayer benefits of providing subsidies*
37 *for energy efficient heating and cooling systems should be gathered*
38 *and studied in a manner similar to that mandated by the Solar*
39 *Water Heating and Efficiency Act of 2007, Article 2 (commencing*
40 *with Section 2860) of Chapter 9 of Part 2 of Division 1.*

1 2847.2. (a) *In cooperation with the Sonoma County Water*
2 *Agency and other local agencies responsible for the County's*
3 *Energy Independence Program, the commission shall institute a*
4 *rulemaking proceeding for creation of a pilot project to promote*
5 *the deployment of energy efficient heating and cooling systems in*
6 *Sonoma County that displace either natural gas or electrical usage*
7 *through the use of rebates.*

8 (b) *The commission shall fund the program through the use of*
9 *a non by passable surcharge applied to gas and electric customers*
10 *located in Sonoma County based upon the amount of natural gas*
11 *and electricity consumed.*

12 (c) *The purpose of the pilot project is to assess whether*
13 *ratepayers will recoup the cost of their investment in energy*
14 *efficient heating and cooling systems through lower prices as a*
15 *result of avoiding purchases of natural gas or electricity, and*
16 *benefit from additional system stability and the reduction of*
17 *greenhouse gas emissions and other air pollutants.*

18 (d) *As part of the rulemaking proceeding, the commission, in*
19 *consultation with the Energy Commission and interested members*
20 *of the public, shall establish eligibility criteria for energy efficient*
21 *heating and cooling systems receiving gas or electric ratepayer*
22 *funded incentives pursuant to this article. The criteria should*
23 *specify and include all of the following:*

24 (1) *Design, installation, and energy output or displacement*
25 *standards.*

26 (2) *Require that energy efficient heating and cooling system*
27 *components are new and unused, and have not previously been*
28 *placed in service in any other location or for any other application.*

29 (3) *Require that energy efficient heating and cooling systems*
30 *are installed in conformity with the manufacturer's specifications*
31 *and all applicable codes and standards.*

32 (e) *The commission shall set rating standards for equipment,*
33 *components, and systems to ensure reasonable performance and*
34 *shall develop standards that provide for compliance with the*
35 *minimum ratings.*

36 2847.3. (a) *The rebates and incentives provided to ratepayers*
37 *within Sonoma County through this pilot project shall decline over*
38 *time. They shall be structured so as to drive down the cost of the*
39 *energy efficient heating and cooling system technologies, and be*
40 *paid out on a performance-based incentive basis so that incentives*

1 *are earned based on the actual energy savings, or on predicted*
2 *energy savings as established by the commission.*

3 *(b) The commission shall consider federal tax credits and other*
4 *incentives available for this technology when determining the*
5 *appropriate rebate amount.*

6 *(c) The commission shall consider the impact of rebates for*
7 *energy efficient heating and cooling systems pursuant to this article*
8 *on existing incentive programs for energy efficiency technology.*

9 2847.4. *Not later than July 1, 2015, the commission shall report*
10 *to the Legislature as to the effectiveness of the pilot project and*
11 *make recommendations as to any changes that should be made to*
12 *the program, or whether it should be expanded beyond Sonoma*
13 *County. This report shall include justification for the size of the*
14 *rebate program in terms of total available incentive moneys as*
15 *well as the anticipated benefits of the program in its entirety.*

16 SECTION 1. ~~Section 48000 of the Public Resources Code is~~
17 ~~amended to read:~~

18 ~~48000. (a) Each operator of a disposal facility shall pay a fee~~
19 ~~quarterly to the State Board of Equalization that is based on the~~
20 ~~amount, by weight or volumetric equivalent, as determined by the~~
21 ~~board, of all solid waste disposed of at each disposal site.~~

22 ~~(b) The fee for solid waste disposed of shall be one dollar and~~
23 ~~thirty-four cents (\$1.34) per ton. Commencing with the 1995-96~~
24 ~~fiscal year, the amount of the fee shall be established by the board~~
25 ~~at an amount that is sufficient to generate revenues equivalent to~~
26 ~~the approved budget for that fiscal year, including a prudent~~
27 ~~reserve, but shall not exceed one dollar and forty cents (\$1.40) per~~
28 ~~ton.~~

29 ~~(c) An operator of a transfer or processing station that transfers~~
30 ~~waste to a destination outside of the state for disposal shall pay a~~
31 ~~fee quarterly to the State Board of Equalization, as determined by~~
32 ~~the board pursuant to subdivision (b), on all solid waste that the~~
33 ~~operator transfers out of the state for disposal.~~

34 ~~(d) The board shall notify the State Board of Equalization on~~
35 ~~the first day of the period in which the rate shall take effect of any~~
36 ~~rate change adopted pursuant to this section.~~

37 ~~(e) The board and the State Board of Equalization shall ensure~~
38 ~~that all the fees for solid waste imposed pursuant to this section~~

- 1 ~~that are collected at a transfer station are paid to the State Board~~
- 2 ~~of Equalization in accordance with this article.~~

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